GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:56
ANSWERED ON:21.10.2008
FDI IN RETAIL SECTOR
Subbarayan Shri K.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the percentage of Foreign Direct Investment (FDI) permitted in the retail sector;

(b) the details of Multi National Companies (MNCs) permitted to operate in the retail sector and the States in which they are operating;

(c) whether any study has been made about their performance in the sector; and

(d) if so, the details thereof?

Answer

THE MINISTER OF COMMERCE & INDUSTRY (SHRI KAMAL NATH)

(a): Foreign Direct Investment (FDI) is not allowed in retail sector except in the retail trade of 'Single Brand' products where FDI up to 51%, with prior Government approval, is allowed. This is, inter-alia, subject to the following conditions:
i. products to be sold should be of a 'Single Brand' only.
ii. products should be sold under the same brand internationally.
iii. 'Single Brand' product-retailing would cover only products which are branded during manufacturing.

(b): List of approvals granted for FDI in single brand retail sector is at Annex-I.

(c)&(d): No study has been instituted for assessing the performance of Multi National Corporations (MNCs) in single brand retail sector.